PRESS RELEASE

House National Security Committee

Floyd D. Spence, Chairman

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REPORT CONCLUDES ADMINISTRATION SUPERCOMPUTER EXPORT POLICY IS "INADEQUATE FOR NATIONAL SECURITY PURPOSES"

House National Security Committee Chairman Floyd D. Spence (R-SC) and Ranking Member Ronald V. Dellums (D-CA), today released a report prepared by a bi-partisan panel of non-governmental experts that describes existing supercomputer export controls as "inadequate for national security purposes."

"This report confirms my belief that the Administration's supercomputer policy fails to properly account for America's national security interests," said Spence. "I hope that this report will help us convince the Administration to reconsider its policy before irreparable damage is done to our national security."

Dellums added, "This report supports the view that the sales of high-performance computers carry risks to our national security. This argues that we must seek to ensure that we actually can control the technology we seek to control. It confirms the need to tighten the current export policy on high-performance computers. Doing so would protect current and future U.S. national security interests and reduce the need to dedicate scarce U.S. military resources to countering future military threats."

The Clinton Administration's October 1995 relaxation of export controls was based, in large part, on a Stanford University report submitted to the Departments of Commerce and Defense. The decontrol policy has enabled the sale of powerful supercomputers to countries of proliferation concern without requiring government review. In recent months, both China and Russia have obtained U.S. supercomputers that can assist them in their nuclear and advanced conventional weapons programs; and Russia has acknowledged its intention to use them to maintain its nuclear weapons stockpile.

Concerned by the national security implications of the Administration's decision, in April Spence and Dellums tasked the five-member panel of independent, outside experts to assess the implications of relaxing supercomputer export controls on U.S. national security by reviewing the assumptions, methodology, and conclusions of the Stanford study.

In June, during House consideration of the National Defense Authorization Act for Fiscal Year 1998 (H.R. 1119), Spence and Dellums joined forces in offering an amendment that would require government review

prior to sale of supercomputers to nations of proliferation concern. Current policy exempts from prior government review some sales to these nations when the proposed sale is to a so-called civilian end-user for a civilian end-use. The Spence-Dellums amendment passed by an overwhelming 332 to 88 vote in the wake of evidence that this loophole allowed for the sale of a supercomputer to a Russian nuclear weapons laboratory. (The Senate version of the bill requires a review by the General Accounting Office. The differences in the House and Senate versions of the bill are currently being worked out in the House-Senate conference on the defense bill.)

Four of the five panel members concurred that there were several shortcomings in the Stanford study, noting that its key assumption was "… too narrow to be useful for purposes of the analysis of export control policy" and that conclusions drawn from this assumption "…are likely to misstate the significance of high performance computing for military applications by nations abroad."

In criticizing the assumptions and methodology of the Stanford study, the panel placed specific emphasis on the importance of strong supercomputer export controls to national security. Contrary to the Administration's assertion that the distribution of high-performance computers to "proliferation-prone" nations is difficult to control, the panel concluded that the Administration could, if it chose to do so, effectively control the foreign availability of supercomputers to nations of security concern. The panel further noted that "denying or limiting access to [sensitive computer] systems by [proliferation-prone] end-users would serve U.S. security interests" by reducing the need for the U.S. to pursue offsetting military capabilities in the future.

The panel also recommended the following:

- a Defense Intelligence Agency study of the military significance of supercomputer exports to sensitive destinations;

- improving U.S. capabilities to monitor and restrict supercomputer transfers to sensitive destinations, including reestablishment of licensing requirements for certain supercomputers, broadening control over network hardware and software, and denying exports of computer security hardware and software to sensitive destinations; and

- continuous monitoring of high performance computing technology in order to make appropriate adjustments in export control criteria.

"I am very concerned by the panel's finding that the relaxation of export controls has significantly reduced our government's ability to monitor who is receiving militarily-sensitive dual-use technology," said Spence. "Under the existing system, 'proliferation-prone' nations are able to purchase sensitive equipment, and we're not tracking where the equipment is going, who's using it, or what it's being used for."

Contributors to the panel report were Dr. Stephen D. Bryen, former Director, Defense Technology Security Administration, DOD; Dr. William R. Graham, former Science Advisor to the President and Director of the White House Office of Science and Technology Policy; Professor Phillip S. Marcus, Department of Mechanical Engineering, University of California, Berkeley; and Dr. William Schneider, Jr., former Under Secretary of State for Security Assistance, Science and Technology, Department of State. Professor Jack Dongarra of the Computer Science Department at the University of Tennessee did not concur with a key recommendation of the panel and submitted his assessment separately in a letter to the committee.

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